

Article appeared on page A-1, 6
Approved For Release 2005/01/12 : CIA-RDP88-01315R000400060004-1

3 CIA Directors Reportedly Eyed Nuclear Case

By John J. Fialka
Washington Star Staff Writer

A former CIA deputy director has told congressional investigators that over a period of eight years, three former CIA directors had a "general concurrence" with him that highly enriched uranium may have been diverted to Israel from a private plant in Pennsylvania.

The former CIA deputy is Carl E. Duckett, who left the agency in 1976 as the head of the CIA's science and technology programs. He said in a letter to Rep. Morris K. Udall, chairman of the House Interior Committee, that suspicions of the diversion were developed as part of a broader CIA probe into the availability of bomb-grade materials to a number of unspecified countries.

According to the letter, the CIA's suspicions resulted in a 1968 letter from then-CIA Director Richard Helms to then-Attorney General Ramsey Clark requesting an investigation of the activities of the private company, the Nuclear Materials and Equipment Corp. of Apollo, Pa.

IN LATER YEARS, according to Duckett, "Director (William) Colby sent a letter to President (Gerald) Ford on the subject, and Director (George) Bush accompanied me when I briefed Sen. (Howard) Baker, senior Republican member of the Joint Atomic Committee."

The Duckett letter, sent to Udall in November and released this week, is the first public admission by a former CIA official of the agency's suspicions about NUMEC.

The CIA refuses to comment on the matter and Helms has said he cannot recall bringing the case to the attention of President Lyndon B. Johnson and other officials of his administration in 1968.

Despite the repeated efforts of Udall, investigators in the FBI, the General Accounting Office and the Department of Energy, the case remains shrouded in mystery and layers of official secrecy.

It began in 1965 when NUMEC's president, a former Atomic Energy Commission chemist named Zalman Shapiro, said that his company could not account for 206 pounds of highly enriched uranium, most of which had been earmarked for a government program to develop a nuclear rocket. According to experts, the amount could be used to fabricate as many as 20 small nuclear weapons.

THE AEC INVESTIGATED the case in 1965 and concluded that there was not enough evidence to bring criminal charges against Shapiro, whose security clearance was later allowed to expire.

The case resurfaced in 1975 after a young safeguards analyst in the Nuclear Regulatory Commission, James H. Conran, found that the AEC's successor, the Energy Research and Development Administration, had a supersecret file on NUMEC that Conran was not allowed to see.

Conran, who had been assigned to write a history of how well the United States had guarded its nuclear materials since the Atoms for Peace Program first put it in private hands in 1954, raised the matter with his superiors and eventually provoked a second set of investigations into the NUMEC matter, some of which are still going on.

One of the investigations is being done by the inspector general of ERDA's successor, the Department of Energy, which is looking into the possibility that some officials of the nuclear agency may have covered up the NUMEC matter because of the "sensitivity" of the suspected connection with Israel.

A MAJOR FIGURE in this investigation is Harvey E. Lyon, director of the Energy Department's Office of Safeguards and Security, who originally denied Conran access to the NUMEC documents and later insisted in public testimony that Energy Department files contained no evidence of any prior diversion of nuclear material.

Last week Lyon resigned amid rumors that he had been fired from the department's top nuclear safeguards position. Duane Sewell, assistant secretary for defense programs and Lyon's superior, said he would neither confirm nor deny the rumors. "In a personal matter such as this, I suggest that you speak to Mr. Lyon," he said.

Reached at his home, Lyon said he had decided to resign after being told that he would be removed from the safeguards slot as part of an agency reorganization and offered an alternate post.

"I said no I didn't want it," explained Lyon, a retired Navy admiral, who said he decided to quit to spend more time with his family.

THE REPORT OF the Energy Department's inspector general, reportedly a lengthy one, is being rewritten, according to sources familiar with it.

A similar report, prepared by the GAO, was recently ordered to be treated as classified by the CIA. Similar treatment is believed to be in store for the Energy Department report, which is now classified top secret.

Israel has repeatedly denied that it has a nuclear weapons program.

Shapiro, the former president of NUMEC, has called claims that he diverted nuclear material to Israel ridiculous.

He is currently director of fusion energy research at Westinghouse.

028
C. Helms, Richard
C. Colby, Wm.
C. Bush, George